



The Director's Corner by Commander Ed McFarland, SC, USN

Welcome to the first issue of the DFAS Retired Pay Newsletter for 2009. In this issue you will find information on The American Recovery and Reinvestment Act of 2009, offset of pay for disability-based compensation, safekeeping of bonds, the Combat-Related Special Compensation (CRSC)/Concurrent Retirement and Disability Payments (CRDP) Open Season which was extended through Feb. 28, 2009. Also, we have provided information on where you can find each individual Service's newsletter.

For those of you who may be eligible for CRSC, the eligibility requirements and information on how to apply have been provided. If you think you may be eligible, you are encouraged to apply through your respective service disability branch.

The Paid-up Survivor Benefit Plan (SBP) rebuttal period is on-going. Retirees who believe their premium counter for SBP costs is incorrect are given the opportunity to dispute it beginning Jan. 1, 2009 and running through June 30, 2009.

Also included in this issue is the schedule for the 2009 Retired and Annuity Pay Seminars. Although the list is subject to change, this is what we have thus far.

Again, everyone is encouraged to have their account information up-to-date. Please ensure your Designation of Beneficiary paperwork is current and on file with DFAS.

<http://www.dfas.mil/rna-news/march2009/directorscorner.html>

Changes to Federal Tax Withholding:

Public Law 111-05, The American Recovery and Reinvestment Act of 2009, was signed into law by President Obama on Feb. 17, 2009. This act authorized a tax credit for most workers, including recipients of Retired and Annuity Pay. This tax credit will take the form of a reduction of your federal withholding tax rates. The new federal tax rates will be in effect by April 1, 2009 for the payment of retired and annuity pay due on May 1, 2009. The new tables can be found at <http://www.irs.gov/pub/irs-pdf/n1036.pdf>.

If after this tax credit takes affect, you wish to adjust your federal tax withholding you must submit a new W4. You can download the form at <http://www.irs.gov/pub/irs-pdf/fw4.pdf> or call 1-800-321-1080 to request a form by mail.

Your completed W-4 should be mailed to:

U. S. Military Retired Pay
P.O. Box 7130
London, KY 40742-7130

Or you may fax it to 1-800-469-6559.

Anyone who has taxable income for 2009 will see their federal taxes reduced and a Retiree Account Statement (RAS) or Annuitant Account Statement (AAS) will be sent by mail or electronically for those who have chosen electronic delivery.

<http://www.dfas.mil/rna-news/march2009/chgfedtax.html>

Offset of Pay for Disability-based Compensation (Method A)

We have received numerous inquiries regarding the offset of pay for disability-based compensation. Legislation states: "The retired pay of a member retired under Chapter 61 of this title with 20 years or more of service otherwise creditable under Section 1405 of this title, or at least 20 years of service computed under section 12732 of this title, at the time of the member's retirement is subject to reduction under sections 5304 and 5305 of title 38, but only to the extent that the amount of the member's retired pay under Chapter 61 of this title exceeds the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member's service in the uniformed services if the member had not been retired under Chapter 61 of this title."

Put more simply, those retirees compensated based upon disability will have their Concurrent Retired Disability Payment (CRDP) or Combat-Related Special Compensation (CRSC) reduced, or offset, but only by the amount of the difference between their Method A and Method B calculations.

For example, if a retiree is entitled to \$2,200 each month through Method A, disability-based compensation and only \$1,400 through Method B, service-based compensation, he will be compensated at the higher \$2,200 Method A amount. If the same retiree is awarded \$1,100 through CRSC, the \$1,100 amount will be offset by the \$800 difference between the original \$2,200 Method A and \$1,400 Method B types of compensation, resulting in a \$300 CRSC amount. With the original \$2,200 disability-based retired pay and the addition of the \$300 CRSC amount, the retiree will receive a total \$2,500 monthly compensation. <http://www.dfas.mil/rna-news/march2009/offsetpayfordisability-basedcompensation.html>

Safekeeping of Bonds:

The savings bond system allows Active Duty military service members for all branches of service to request bonds they have purchased through allotment deductions to be kept in safekeeping. Currently, these bonds are held indefinitely as long as the service member remains on Active Duty or until the member requests the bonds to be mailed to a current mailing address.

However, once a service member retires they have only 120 days to withdraw the bonds from safekeeping. Within the 120 days the now-Retired service member must, as for an Active member, request in writing or by fax the bonds to be mailed to a current mailing address. Requests must contain the member's name, signature, Social Security Number, a valid mailing address and the bonds they want mailed. If a retiree does not properly request the withdrawal of the bonds, they will be boxed and stored at the Bureau of Public Debt indefinitely.

After the bond withdrawal is requested, 30 days must be allowed before a member can claim non-receipt. In order to determine how many bonds a member has in safekeeping, please use the phone numbers listed below corresponding to the applicable branch of service.

Army

DFAS-IN
ATTN: JFDBAC
8899 EAST 56TH STREET
INDIANAPOLIS, IN 46249
FAX: 317-510-5903
PHONE: 317-510-0585 or 1-877-338-3327

Air Force

DFAS-ATDTE
ATTN: SAFEKEEPING
PO BOX 269490
INDIANAPOLIS, IN 46226-9490
PHONE: 317-510-8539
FAX: 317-510-4339

Navy

DFAS-Cleveland Center
1240 East Ninth Street
Cleveland, OH 44199
ATTN: CODE ADBEB
FAX: DFAS-CL, CODE ADBEB at 216-522-6358.
Phone: 1-888-332-7411

Marine Corps

DFAS-CL/ATLOEB
Bonds Section
1240 East Ninth St.
Cleveland, OH 44199-2055
FAX: 216-522-6358
Phone: 216-522-5880

<http://www.dfas.mil/rna-news/march2009/safekeepingofbonds.html>

CRSC/CRDP Open Season:

At the beginning of the year, if a retiree was eligible for both CRDP and CRSC he/she had the opportunity to participate in the CRSC/CRDP Open Season. For 2009, this annual election was extended through Feb. 28, 2009 allowing the retiree to choose which payment was preferred (federal law states that you can receive CRDP or CRSC; not both).

To help the retiree make a more informed decision, the supplied form included a comparison of the CRDP and CRSC entitlement amounts as well as information about the collection actions and taxes to which each type of payment is subject.

This year 58,837 letters were sent to eligible retirees. In early Feb. 5,327 members have responded requesting a change in pay type.

The change in payment was effective Jan. 1, 2009. Retirees may receive their first payment on the first business day of either March 2009 or April 2009, depending upon the date which our processing center received the completed form. A retroactive adjustment will be made for the payment that would have been paid on the first business day in February (for the January 2009 entitlement period).

The retiree's election will remain in effect unless changed in a subsequent annual open season.

<http://www.dfas.mil/rna-news/march2009/crsccrdpopenseason.html>

Newsletters from each branch of service

Were you aware each branch of service has a newsletter available online? Below are the website addresses for these newsletters:

Army Echoes: <http://www.armyg1.army.mil/RSO/echoes.asp>

Navy Shift Colors: <http://www.npc.navy.mil/referencelibrary/publications/shiftcolors>

Marine Corps Semper Fidelis:

http://www.manpower.usmc.mil/portal/page?_pageid=278,2017336&_dad=portal&_schema=PORTAL

Air Force Afterburner: <http://www.retirees.af.mil/afterburner/>

<http://www.dfas.mil/rna-news/march2009/newsletters.html>

Do you qualify for Combat-Related Special Compensation (CRSC)?

CRSC may entitle you to additional funds designed to compensate you for the reduction of your military retired pay due to the receipt of Department of Veterans Affairs (VA) compensation (also known as VA waiver). With CRSC, you can receive either partial or full concurrent receipt of your military retirement pay and your VA disability compensation.

With the inception of the CRSC program on June 1, 2003, the following eligibility requirements were established:

Retirees must apply to their respective branch of service to be approved for CRSC. Retirees must be in receipt of VA compensation.

Retirees must be in receipt of military retired pay or be in a suspended pay status due to receipt of VA compensation.

Originally, retirees must have had an approved combat-related VA disability rating of 60% or greater.

Effective Jan. 1, 2004, CRSC eligibility was extended to retirees with combat related VA disability ratings between 10 percent and 50 percent.

The National Defense Authorization Act (NDAA) of 2008, Section 641 expands eligibility of the Combat-Related Special Compensation (CRSC) entitlement to those with less than 20 years of service. Please note that qualified reservists will not receive CRSC until they begin to receive retired pay at age 60. Retirees who waived their retired pay in lieu of a civil service retirement are not eligible for CRSC.

All military retirees who are eligible to receive CRSC must apply to their own branch of service using DD Form 2860, Claim for Combat-Related Special Compensation (CRSC), available online here:

<http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd2860.pdf>

OR by calling 1-800-321-1080 and requesting. Along with the application, include any documentation that you feel is relevant.

Examples of documentation you may want to send include copies of the following:

- * Retirement orders
- * 20-year letter or statement of service (for reservists)
- * Relevant pages in your Department of Veterans Affairs (VA) or service medical record
- * VA ratings determinations
- * Purple Heart decoration award citations
- * Retirement Form DD214

Once a final decision is made, your branch of service will notify you in writing of approval or denial of your application. If approved, a copy of your approval letter will be forwarded to DFAS.

You can also request an application from the appropriate branch of service below. All

completed applications must be mailed or faxed to the listed locations; they cannot be submitted electronically.

Army:

Department of the Army
U.S. Army Physical Disability Agency
Combat-Related Special Compensation (CRSC)
200 Stovall Street
Alexandria, Virginia 22332-0470
Toll-free: (866) 281-3254
Hours: 8am - 8pm EST

Navy and Marine Corps:

Secretary of the Navy Council of Review Boards
Attn: Combat-Related Special Compensation Branch
720 Kennon Street SE, Suite 309
Washington Navy Yard, DC 20374-5023
(Toll Free 1-877-366-2772)
Fax: 202-685-6882/6627

Air Force:

United States Air Force Personnel Center
Disability Division (DPPDC)
550 C Street West, Suite 6
Randolph AFB TX 78150-4708
Toll-free: 1-800-616-3775

<http://www.dfas.mil/rna-news/march2009/doyouqualifyforcrsc.html>

Paid-up SBP rebuttal period (DD Form 2656-11)

The "Paid-up Survivor Benefit Plan (SBP)" program, effective Oct. 1, 2008, ensures all retirees who are at least 70 years of age and paid SBP premiums for at least 360 months (30 years) will have their premiums stopped and are no longer required to make monthly payments beginning in the month they meet the eligibility requirements. The same applies to participants in the Retired Serviceman's Family Protection Plan (RSFPP).

No action is required by the member to initiate the termination of premiums. To notify members of their paid-up status, Retiree Account Statements (RAS) have been modified to include a "premium counter" displaying the current number of monthly premium payments toward paid-up status. The counter automatically increases each month a full premium payment is made and helps retirees monitor their eligibility status.

Retirees who believe the premium counter is incorrect will be given the opportunity to dispute it beginning on Jan. 1, 2009, after the annual RAS was mailed and received, and running through June 30, 2009. All disputes must be made by completing a DD Form 2656-11, available online here:

<http://www.dfas.mil/retiredpay/paid-upsurvivorbenefitpaymentsbp/dd2656-11.pdf>,

OR by calling 1-800-321-1080 and requesting. We will accept all forms postmarked prior to July 1, 2009.

Please complete all fields on the form that apply to you. Section II should be filled out by each retiree submitting the form. If you DID NOT serve any time on the TDRL, leave Section II, boxes 9 and 10 blank. If you DID serve any time on the TDRL, please provide information in blocks 9 and 10. For more detailed information, please refer to the DFAS website at www.dfas.mil under the section titled Paid-Up SBP FAQ's. Additional updates will be provided as more information becomes available.

Based on our anticipated volume of claims and staffing we anticipate being able to process all claims within 60 days of receipt.

<http://www.dfas.mil/rna-news/march2009/pdupsbprebuttalperiod.html>

Retired and Annuity Pay Seminars

Retiree seminars are periodically scheduled at military and civilian facilities throughout the U.S. and around the world. The following seminars are currently scheduled for 2008 with DFAS Retired and Annuity Pay participation.

Representatives will be on hand to provide attendees with information on a variety of pay issues. Contact the RSO or RAO serving your area for more information on seminar details.

Date	Location	Phone number
April 4, 2009	Dover AFB, DE	302-677-4612
April 18, 2009	Patrick AFB, FL	321-494-5463
April 18, 2009	Stuttgart, Germany	DSN: 379-6080
April 20, 2009	Ramstein AB, Germany	DSN: 379-6080
April 20, 2009	Mannheim, Germany	DSN: 379-6080
April 21, 2009	Kaiserslautern, Germany	DSN: 379-6080
April 22, 2009	Weisbaden, Germany	DSN: 379-6080
April 23, 2009	Heidelberg, Germany	DSN: 379-6080
April 24, 2009	Grafenwoehr, Germany	DSN: 379-6080
April 25, 2009	Schweinfurt, Germany	DSN: 379-6080
April 25, 2009	McGuire AFB, NJ	609-754-2459
May 16, 2009	Camp Zama, Japan	DSN: 263-3940
June 6, 2009	Ansbach, Germany	DSN: 379-6080
June 8, 2009	Garmisch, Germany	DSN: 379-6080
June 9, 2009	Hohenfels, Germany	DSN: 379-6080
June 10, 2009	Bamberg, Germany	DSN: 379-6080
June 12, 2009	Vicenza, Italy	DSN: 379-6080
June 13, 2009	Fort Ord, CA	831-242-6691
August 20, 2009	Des Moines, IA	515-283-7013
August 22, 2009	Augusta, ME	207-921-2609
August 28, 2009	Rosemount, MN	763-566-2219
August 29, 2009	Camp Ripleg, MN	763-441-2630
August 29, 2009	Ft. Huachuca, AZ	520-533-5733
September 11, 2009	NAS Fallon, NV	775-426-3338
September 11, 2009	Fort McCoy, WI	608-388-3716
September 12, 2009	Little Rock AFB, AR	501-987-6095
Sept 17 - 19, 2009	Fort Sill, OK	580-442-2645
Sept 18 - 19, 2009	Fort Bragg, NC	910-396-8591
September 19, 2009	NAS Lemoore, CA	559-998-4410
September 26, 2009	Selfridge ANGB, MI	586-239-5580
September 26, 2009	Fort Bliss, TX	915-569-6233

October 3, 2009	Whiteman ABF, MO	660-687-6457
October 3, 2009	Fort McCoy, WI	414-258-9195
October 17, 2009	Fort Monmouth, NJ	732-532-4673
October 23-24, 2009	Fort Hood, TX	254-287-8100
October 30, 2009	Fort Rucker, AL	334-255-9124
October 30-31, 2009	Fort Knox, KY	502-624-1765
October 31, 2009	Fort Leavenworth, KS	913-684-2425
November 7, 2009	McChord AFB, WA	253-982-1955
November 7, 2009	Moody AFB, GA	229-257-3209
November 12, 2009	Fort Detrick, MD	301-619-3138

<http://www.dfas.mil/retiredpay/2009retseminarsched.html>

Designation of Beneficiary

We at Defense Finance and Accounting Service (DFAS) emphasize the need for Retired military service members to make certain their Designation of Beneficiary paperwork is up to date and on file.

Further, if a retiree designates an estate, they must have the proper notarized and sealed, court-recognized estate papers. Living Wills and Letters of Testamentary are not eligible documents and will not be considered.

The official Designation of Beneficiary Form DD 2894 can be sent by mail, by request, by calling toll free 1-800-321-1080, commercial (216) 522-5955 (Mon. through Fri. from 7 a.m. to 7:30 p.m. ET) or can be immediately accessed online at:

<http://www.dfas.mil/rna-news/march2009/designationofbeneficiary.html>